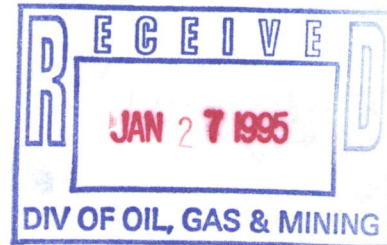


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GEOKINETICS INC.

2091 East 1300 South, Suite 202 • Salt Lake City, Utah 84108 • Telephone (801) 583-0511
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Mr. Wayne Hedberg
Permit Supervisor
Utah Division of Oil Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84108

January 26, 1995

SUBJECT: Site reclamation bond on Seep Ridge Project

Dear Mr. Hedberg:

On December 31, 1986, the Division of OG&M set the bond on the Seep Ridge Project at \$93,425. A detailed itemization of the costs involved in the reclamation program was prepared by OG&M reclamation engineers. See attachment 1.

A certificate of deposit at the American Investment Bank, with dual signatures (Geokinetics and Utah Division of State Lands) was taken out as a bond. With accumulated interest, this CD has grown in value to \$140,881.35. See attachment 2.

Geokinetics has done extensive site reclamation, and the items remaining to be done on the original reclamation engineers report have a total cost of \$36,716, escalated to 1994. See attachment 3.

On July 31, 1994, Geokinetics acquired the assets and operations of an independent oil company in Houston, Texas. As a result of this acquisition, Geokinetics transferred its operations to Houston. Mr. Jay D. Haber became President of Geokinetics, and I continue to serve as a Director. All of our CDs were transferred to Houston, and signature authority was transferred to Houston.

To meet a cash need for acquisition of oil and gas leases, the CDs were redeemed, including, inadvertently, the CD that served as the Bond for the Seep Ridge Project reclamation.

We recognize that the Bond must be promptly restored, and propose the following action:

1. Geokinetics will post as bond a new CD in the amount of \$100,000, which will cover the original amount for full site reclamation. This will be done within 30 days.

2. We request that the amount of the bond be reduced to \$40,000, which is sufficient to cover the remaining site reclamation, as originally estimated by the OG&M, escalated to 1995 dollars. Upon approval of the new bond, OG&M will release the \$100,000 CD, and Geokinetics will post a new CD for \$40,000.

Kindly advise if this is satisfactory.

Sincerely,

A handwritten signature in cursive script, reading "Mitchell A. Lekas". The signature is written in dark ink and is positioned above the printed name and title.

Mitchell A. Lekas
Director

cc: John Blake
Jay D. Haber